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ABSTRACT: A system for liquidating excess, returned, inventory of slow moving products to maximize gross profit. The system has a variable pricing strategy for enabling quick liquidation of unsold or returned inventory items. The system is Web based. The pricing strategy is interactive, and includes a flexible current price, an open order mechanism, a facility for a demand price and a buyer auction scheme. Sellers interact with the system to set minimum prices and permitted increments of changes in price when prices vary. Buyers can choose to acquire a certain amount of a product at the current price, or set an amount they are willing to pay after a particular period of time. Sellers can adjust prices based on buyer responses and arrive at an optimal pricing strategy over a given period of time to meet their requirements for inventory liquidation. The system can be used in on-line shopping forums and is available through a number of access points including affiliated websites, distributor and manufacturer websites and portal type websites. The system permits the liquidation of excess or returned inventory in a desired amount of time with an improved recovery price.

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Summary of Invention Paragraph - BSTX: [0007] Dynamic pricing methods have been used successfully in on-line forums where buyers wish to purchase similar or identical items. These on-line forums are typically described as auctions or a "name your price" system in which a number of potential purchasers can review products offered by one or more manufacturers. Typically, an auction-type forum permits a number of bidders to submit prices which they are willing to pay for a particular item, over a particular period of time. For example, a product may be offered in an on-line forum, which may be reviewed by a number of purchasers over the course of a week. Each person reviewing the item may potentially submit a bid on the item within certain constraints, such as a minimum price. Once the set period of time has passed, in this instance a week, the highest bidders will receive the item for sale. If there were no bids over the fixed price for permitting a sale, then no sale is made.

Detail Description Paragraph - DETX: [0034] Sales tool 16 according to an embodiment of the present invention offers the user the choice of a shopping channel 50, which is related to a particular category of goods as discussed above. Once shopping channel 50 is chosen, the user is offered all the products in that particular channel which are available for purchase . The user can

then select a product to <u>purchase, and choose a dynamic pricing</u> method for completing the sale.

Detail Description Paragraph - DETX: [0037] The interested shopper can also submit a demand price 42. This approach permits the shopper to request and commit to a set price below current price 38 of the item. Demand price 42 is good for twenty-four hours, and is either accepted or declined based on a set of business rules determined by the particular merchant. For example, if the merchant wishes to dispose of an entire lot of products, and demand prices 42 received over a twenty-four hour period total the price desired by the merchant for the entire lot, all demand prices 42 are accepted. If all of demand prices 42 do not total the amount desired by the merchant for the lot, then only those demand prices 42 which exceed the average price for the items in the lot will be accepted, and all others will be declined. Each demand price 42 is evaluated at a given point over a twenty-four hour period until expiration of the time period for which the item is offered. Thus, each demand price 42 will be evaluated within twenty-four hours of when it is submitted, and either accepted or declined based on the criteria for demand price 42. Each buyer is isolated in their purchases from any other demand price buyer, and is not aware of other demand prices 42 made by other shoppers. The <u>number of items available for demand pricing may change as items are sold</u> through the above-mentioned current price 38 and open order 40 sales approaches.

Detail Description Paragraph - DETX: [0044] A business entity with excess inventory can use the system according to the present invention to dispose of their excess inventory in aggregate, or one piece at a time. Aggregate sales typically dispose of excess inventory in lots with a price set that is equivalent to a wholesale price. Individual items are <u>sold singly with prices subject to change</u> on an individual basis. The business entity can set either a floor, or minimum price for the product they wish to offer, or investigate a dynamic pricing model to dispose of the excess inventory in a way which maximizes a specified criteria.

Claims Text - CLTX: 14. A marketing system according to claim 12, wherein said seller sets said minimum auction price and a bid <u>purchase price increment by which said bid purchase price is permitted to change</u> .